



IN REPLY

REFER TO

**DESC REGULATION
NO. 4155.9**

DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FORT BELVOIR, VA 22060-6222

**DESC-BQ
March 21, 2001**

CUSTOMER COMPLAINTS AND QUALITY DEFICIENCY REPORTS
(Supplementation is not permitted)

I. REFERENCES

- A. DLAI 4155.2, Quality Assurance Program Instruction for ICPs.
- B. DLAR 4155.24, Product Quality Deficiencies Report Program.
- C. MIL-STD-3004 Department of Defense Standard Practice, Quality Surveillance for Fuels, Lubricants, and Related Products.

II. PURPOSE

A. The Customer/Depot Complaint and Quality Deficiency Report System (CDC) established by DESC is designed, in part, to capture the incremental cost of quality. The goal of the CDC system is to decrease the overall percentage that quality deficiencies contribute to non-product costs. This DESC establishes policy, assigns responsibilities, and prescribes procedures for this as well as for processing reports related to the unsatisfactory quality of materials and services procured by or managed by DESC. This DESC implements DLAI 4155.2 and DLAR 4155.24 and is applicable to all elements of DESC.

B. Operational procedures may be developed to implement the provisions of this DESC. However, such procedures must be compatible with the policies, responsibilities, and procedures contained herein.

C. The following types of complaints are covered by this DESC:

- 1. Any quality complaint on receipts directly from contractors to bases or stations.
- 2. Any quality complaint on product received from or shipped into Defense Fuel Support Points.
- 3. Any quality complaint on DLA owned product at base or station locations.
- 4. Quality complaints on product delivered under DESC contracts or operational problems related to product delivered under DESC contracts (except as excluded in paragraph E below).

D. The following reports of item discrepancies or deficiencies are normally excluded from the provisions of this DESC. However, such reports are to be included when the reported discrepancy or deficiency is determined by the focal and control point to be an unsatisfactory material condition attributable to a material, design or procurement deficiency as defined in this DESC.

- 1. DD Form 1225, Storage Quality Control Report.
- 2. Standard Form 364, Report of Item Discrepancy (ROID)
- 3. Standard Form 363, Discrepancy in Shipment Confirmation (DISCON).
- 4. DD Form 1716, Contract Data Package Recommendation/Deficiency Report.

E. Reporting of the following types of deficiencies is excluded from the provisions of this DESC:



1. Deficiencies involving shipments, requisitions or purchase orders on other than DESC contracts.
2. Deficiencies pertaining to billing, failure by contractors to deliver, or contractor's noncompliance with established delivery schedules.

III. APPLICABILITY AND SCOPE

A. Since quality deficiencies and quality complaints can be generated anywhere in the Government petroleum logistics system, such deficiencies must be reported whenever and by whomever they are discovered. There shall be a system to provide feedback of quality data to activities responsible for development, procurement, quality assurance, transportation, operation, statistics and other management functions so that appropriate corrective actions may be taken to prevent recurrence. This will provide the basis for initiation of claims against suppliers of discrepant materials or services where appropriate. Information from quality deficiencies and quality complaints will be used in evaluating contractor performance for future awards.

B. Category I (see IV Definitions) deficiency reports will not be downgraded without the concurrence of the activity from which received and/or the corresponding Military Service technical activity.

C. Quality deficiency reports and customer complaints will be processed expeditiously within established time frames and in accordance with the following guidelines:

1. Initial emphasis will be given to:
 - a. Validating the deficiency.
 - b. Precluding further procurement of the questionable material.
 - c. Determining if issue or use restrictions are required for the deficient material.
 - d. Issuing instructions for the disposition and replacement of the defective material to the extent necessary or practicable and IAW DOD 4140.25.
2. Secondary emphasis will be given to:
 - a. Determining the quantity of deficient material in the DLA and Service supply system and, if appropriate, purging of the defective material from the supply system.
 - b. Determining the cause(s) of the deficiency and initiating action to preclude recurrence.
 - c. Determining contractor liability and undertaking appropriate recovery action.
 - d. Satisfying customer's needs for useable material as soon as possible and giving assurance that corrective measures have been taken to provide reasonable safeguard against recurrence of the off specification condition or other performance deficiency.

D. Care should be taken by all involved so as not to direct contractors to take corrective action. All corrective action will be directed by the contracting officer for the specific purchase program.

IV. DEFINITIONS

A. Category I Report. A deficiency, which has affected life or limb of personnel or impaired the combat capabilities of the using organization or mission accomplishment has been jeopardized fall within this definition.

B. Category II Report. A deficiency, which does not meet the criteria, set forth for a Category I Report.

C. Customer/Depot Complaint Database. A database that contains information on quality complaints and quality deficiencies.

D. Customer/Depot Complaint Focal Point. DESC-BQ Action Officer representatives responsible for monitoring all Customer/Depot complaints within their respective purchase program area of responsibility.

E. CDC Database Control Point. DESC-BQ Action Officer responsible for maintaining the Customer/Depot Complaint database, providing management data and monitoring overall status of open active cases.

F. Investigation Office. The Office designated to investigate the quality deficiency. Referred to as the Current Action Office in the CDC Database

G. Originating Point. Activity that finds a deficiency and reports it.

H. Quality Deficiency Data. Information concerning a deficiency which prevents products from being used for their intended purpose. This can include deficiencies on material or the technical requirements of material, drawings and specifications. Quality deficiency data may be attributable to one or more of the following:

1. Design Deficiency. Any condition that limits or prevents the use of material for the purpose intended or required where the material meets all other specification and contractual requirements. These deficiencies cannot be corrected except through a design change.

2. Material Deficiency. Any deficiency (e.g., physical, chemical, functional) noted in material that is attributable to nonconformance to specification or contractual requirements. Standard workmanship will be considered to fall within this definition.

3. Procurement Deficiency. Any unsatisfactory material condition that is attributable to improper, incorrect, ambiguous, or omitted contractual requirements including deficient specification and other technical data.

I. Quality Deficiency Report. Used to report quality deficiencies prepared in accordance with this DESCQR as defined in paragraph IV. H above. These reports can be by SF368, message, phone, facsimile or electronic mail. Phone reports must be followed up, in writing, within 3 business days.

J. Reporting Activity. The activity that forwards a Quality Deficiency Report to Focal and Control Point.

K. Focal and Control Point. Office responsible for receiving and controlling quality deficiencies and complaints. The DESC focal and control point for all energy products purchased by DESC is the Quality Operations Division of the Bulk Fuels Business Unit, Quality Operations Division (DESC-BQ). Specific points of contact are listed in Table I.

L. Quality Complaints. Any type of deficiency or discrepancy report that reflects on the quality of products and/or services rendered to DESC customers. This term is subject to the exclusions provided in paragraphs II. D and E above.

V. PROCEDURES

A. The DESC Focal and Control Point Action Officer (DESC-BQ) will:

1. Process all quality deficiency and complaint reports received from Defense Fuel Support Center Commodity Business Units, Service Components and Field Offices. This includes SF 368, Quality Deficiency Report, messages, laboratory analysis reports, letters, facsimiles, emails, QSR reports via electronic mail and telephone calls. As complaints are received, a paper file will be established and maintained in a file folder. The folder will be identified with the case number, contract information, case open and close dates. Information obtained by telephone will be annotated and made a part of the file. Preliminary investigation will begin immediately but contractual remedies may not be initiated until written confirmation is received. If requested written information is not received within 10 working days and investigation has not confirmed the quality deficiency, the case will be closed. The complaining

activity will be contacted prior to closing out the case. These procedures for telephone reports do not apply to category I deficiencies.

2. Annotate receipt date on all incoming quality complaint and deficiency reports and enter the quality complaint into the DESC Customer/Depot Complaint database. This database, along with all case files, will be used to control the processing of the reports within and without the Center and for reporting the status of the complaints and deficiencies in progress.

3. Establish suspense for acknowledging and responding to complaint and deficiency reports. Time frames are:

<u>Acknowledge</u>	<u>Action</u>	<u>Complete</u>	<u>Interim or Final Reply to Originator</u>
Category I, within 24 hours	immediate	ASAP	within 10 working days
Category II, within 24 hours	within 24 hours	ASAP	within 30 calendar days

Acknowledgment of receipt may be made by telephone but must be followed up in writing. Purpose of the acknowledgment is to notify the activity that their complaint was received, who their point of contact is, and the plan of action.

4. Perform a technical review of each report received to determine type of deficiency involved, whether the report contains sufficient data to permit processing, or whether the same report is under investigation or has been resolved because of a previous report. Requests for missing information can be made by phone or by writing, whichever is appropriate for the situation but every effort should be made to get follow-up information in writing. For category I reports, the originator will be contacted by the most expeditious means possible to obtain the required data.

5. Categorize reports as CAT I or CAT II.

6. Determine the investigation office(s) based upon technical review and forward the report by appropriate methods. Enter forwarding information into the computer database.

7. Notify the responsible contracting officer immediately upon receipt of a reported deficiency relating to receipt from a contractor source.

8. Report the quantities and locations of the contested material in the supply system as soon as possible to the contracting officer so that a determination of the need to repurchase the item can be made, and to the contractor so that a decision on replacement, reprocessing or reimbursement can be made in an expeditious manner.

9. Compile technical data and findings to assist the Contracting Officer in initiating claims.

10. Review investigation office responses for completeness and technical accuracy. All responses and applicable correspondence from investigation offices will be controlled and maintained in appropriate case files.

11. Provide report of investigation and actions taken to the reporting activity. When investigation office(s) cannot meet suspense date, furnish an interim reply to the reporting activity advising of a suspense date for the final reply. Interim reports should be provided every 30 days.

12. Approve close out of all quality deficiency and complaint reports to assure complete investigation and actions taken are appropriate. As part of close out action, instruct investigating offices to follow-up to insure that corrective action was appropriate.

13. Follow up on delinquent responses from investigation offices.

14. Continue individual cases, notwithstanding the fact that a closeout response has been submitted to the reporting activity, until effective action to preclude recurrence has been taken,

regardless of the time required. Internal controls will be established to insure that follow through actions are accomplished. When warranted, cases, which were prematurely closed, may be reopened using the original serial, files and backup data.

15. Close-out the quality deficiency and annotate in the Customer/Depot complaint database the necessary closeout information.

16. When the investigation of a quality complaint or quality deficiency results in a determination that the report condition is valid, the closeout response to the reporting activity will provide as a minimum:

(a) Action taken to restrict further issue of the deficient material, such as purging of unsatisfactory material from the DLA storage and distribution system and alert notification, where appropriate, the Services.

(b) Disposition instructions for the deficient material, e.g., return to contractor for replacement, dispose of, or use with appropriate precautions, etc.

(c) If applicable, notification of changes to be made in future procurements, e.g., source inspection and instructions for special inspection requirements to appropriate DCMA elements.

17. Maintain statistics and reports as required.

18. Contractor quality history data will be considered for future procurements to preclude recurrence of similar quality problems.

B. The Directors, Commodity Business Units will:

1. Receive and review requests for assistance on quality deficiency reports and complaints.
2. Take all necessary actions to obtain corrective action and to prevent further deliveries of off-specification product.

3. Perform all necessary actions in an expeditious manner.

4. Provide copies of all correspondence, relevant to the complaint, to DESC-BQ.

5. Annotate contractor file with quality deficiency and quality complaint information.

6. Consider contractor quality history data for future procurements to reduce recurrence of similar quality problems.

7. Forward all reports of off specification deliveries to DESC-BQ for action as the CDC Focal Point.

C. Database Control Point (DESC-BQ) will:

1. Update database fields as necessary.

2. Update forms, reports and queries as necessary.

3. Periodically review data in database for accuracy.

4. Review database change requests for necessity, improvement potential, etc. If requested changes are not made a response to the activity requesting the change should be provided explaining why the change was not made.

D. Defense Energy Support Center Field Offices, will :

1. Report any and all customer complaints to the appropriate DESC-BQ POC so that notification can be made within the established timeframe.

2. Review available quality deficiency data received from all sources to determine if all necessary information has been provided.

3. Obtain correct or missing information from source of complaint.

4. If reported information is determined to be invalid, notify the appropriate DESC-BQ action officer with a complete explanation. DESC-BQ will annotate in the Customer/Depot complaint database that the complaint was found to be invalid and why.

5. Forward all pertinent information to DESC-BQ for their action.

6. Review with DESC-BQ the final investigation report and/or closeout action, which will be provided to the originator of the complaint.

E. All Offices Receiving a CDC will:

1. Collect and review quality deficiency information.
2. Notify the following:
 - (a) The cognizant Quality Manager.
 - (b) Any customers who may have received the off-specification fuel.
 - (c) If product originated from a contractor source, notify the origin DCMA QAR.
 - (d) If product originated from a Government source, notify the origin QSR.
3. Send all pertinent information (laboratory analysis sheets, ullage sheets, etc.) to DESC-BQ through the responsible DESC Quality Manager by the most expeditious manner. If a report is suspected to be invalid, the DESC Focal and Control Point will be informed, and provided the reason(s). Final determination will be the responsibility of DESC-BQ in consonance with the Quality Manager. Courtesy copies of quality deficiencies can be provided to QAR's and QSR's if necessary. These are courtesy copies only since the official copies will be forwarded by DESC-BQ.
4. Investigate the complaint as directed by DESC-BQ or cognizant Quality Manager and take appropriate action to preclude recurrence of the problem if within your purview. The complaint must be validated through review of pertinent technical data and, if required, examination, testing or laboratory analysis of the product.
5. Maintain a file of all complaints received and actions taken to investigate quality deficiencies or quality complaints.
6. Request exhibits/samples from the holding activity as soon as the need is known, but no later than 15 calendar days after receipt of the report. Timely requests for samples are essential since activities routinely hold samples for a maximum of only 45 days from the date a report is initiated.
7. Determine if assistance is required from other offices. Forward requests for assistance to those offices for appropriate action. An information copy of all requests for assistance shall be sent to DESC-BQ. All requests for DCMA assistance will be coordinated through the cognizant QAM to DESC-BQ.
8. Investigation offices will submit information copies of all correspondence and investigation results to the applicable DESC-BQ POC.
9. Take appropriate action as necessary to purge the deficient material from Government storage.
10. Recommend closeout action, then forward the recommendation to DESC-BQ.
11. The Investigating Office will update information pertaining to active CDC's, at a minimum, once a week.

VI. RESPONSIBILITIES: All offices are responsible for completing actions in a timely manner. Correcting quality complaints quickly and efficiently is paramount.

A. The Director, Bulk Fuels Business Unit, Quality Operations Division (DESC-BQ) is designated the DESC focal and control points for quality deficiencies and quality complaints and is responsible for receiving and controlling quality deficiency reports and quality complaints as described below:

1. Perform technical review of quality deficiency reports to determine the type(s) of deficiencies involved.

2. Determine whether other elements, service control points or inventory control points have an interest, have primary or partial action to take, or whether they are required to coordinate in resolution of the deficiency.

3. Review responses from investigation offices for completeness and, as appropriate, technical accuracy.

4. Compile and maintain current Contractor Quality History Data.

5. Coordinate actions with various investigation offices or interested activities.

6. Provide Management oversight over investigations.

7. Identify systemic deficiencies and take action to preclude recurrence by recommending changes to specifications, procedures, policies or test methods.

B. The Customer/Depot Complaint Focal Point, Bulk Fuels Business Unit, Quality Operations (DESC-BQ) is designated as the DESC database control point and is responsible to:

1. Maintain statistical data related to quality complaints and deficiencies for reporting to the Commander, DESC, DLA, or across Service lines.

2. Develop and maintain the Customer/Depot Complaint Database, its fields and field definitions.

3. Maintain instruction manual on how to use the Customer/Depot Complaint Database.

4. Maintain this regulation.

C. The Directors, Direct Delivery Fuels Business Unit (DESC-P), Bulk Fuels Business Unit (DESC-B), Alternate Fuels Commodity Business Unit (DESC-A) and the Facilities and Distribution Business Unit (DESC-F) will:

1. Contracting Issues:

(a) Represent DESC and its customers on matters that require contact with contractors. This includes but is not limited to repayments, product replacement, or consideration to the Government for using material that was delivered in an off-specification condition.

(b) Take appropriate action to preclude further deliveries of questionable material from contract sources until the investigation of all outstanding quality deficiencies and complaints has been completed.

(c) Modify contractual quality provisions as necessary, especially inspection requirements in response to contractor's practices, which demonstrate poor or questionable quality performance.

(d). Provide DESC-BQ with all information and copies of all correspondence dealing with quality deficiencies and complaints.

2. Supply Issues:

(a) Serve as action point/office for all deficiencies relating to quantity, which may be reported on SF 361, Discrepancy in Shipment Report (DISREP). The CBUs will control all correspondence, maintain files and, as required, compile statistical/management data pertaining to individual DISREPs, except those exclusions described in paragraphs B. 4 and 5 above.

(b) Review each report for completeness and insure that all supportive documentation is included with the report.

(c) Conduct investigations of each report to determine cause(s) and possible liability.

(d) Take appropriate action to accept variances and adjust accountable records accordingly, or submit requests for claim through normal channels.

D. Defense Energy Support Center Field Offices Quality Manager will:

1. Serve as the Screening Point for quality deficiencies reported by Quality Surveillance Representatives.

2. Assure reporting requirements are followed.
3. Identify systemic problems affecting quality within designated region and take action to preclude recurrence.
4. Assure DESC Region and Office actions taken to preclude recurrence are performed, not withstanding closeout of individual cases by the Region investigation office.
5. Insure that all reports of off specification deliveries are reported to DESC-BQ so that they can be properly logged in IAW procedures identified in paragraph V.A. 1-18.]
6. Act as DESC's representative in these instances to insure that every effort to resolve the Customer/Depot Complaint is taken as requested by DESC-BQ, or as a result of investigations required prior to notification of the focal point office.

E. Defense Energy Support Center Field Offices, Quality Surveillance Representative will:

1. Serve as the originator for all quality deficiencies found at Defense Fuel Support Points.
2. Serve as the Investigation Office for deficiencies found at the Defense Fuel Support Point.
3. Report all quality deficiencies to DESC through their Quality Manager via the Customer/Depot Complaint database, which will ultimately be a Web Based application. In the interim, all information will be forwarded to DESC in the most expeditious manner available. For all deficiencies, DESC-BQ will be notified.

BY ORDER OF THE DIRECTOR


A. P. FRONTIERO
Executive Officer

Table 1**POINTS OF CONTACT**

ATTN: Name, DESC-BQ
Defense Energy Supply Center
8725 John Kingman Road, Suite 4950
Ft Belvoir, VA 22060-6222

Purchase Program	Office	Fax Number	Email
Conus (Bulk, Into Plane, Lube Oils & Coal)	DESC-BQC	703-767-8747, DSN 427-8747	descbq@desc.dla.mil
Oconus (Bulk, Into Plane, Lube Oils & Coal)	DESC-BQE	703-767-8747, DSN 427-8747	descbq@desc.dla.mil
PC&S/Bunkers	DESC-BQA	703-767-8747, DSN 427-8747	descbq@desc.dla.mil